

**SEKHUKHUNE DISTRICT MUNICIPALITY**

**REVIEWED SUBSTANCE AND TRAVELLING ALLOWANCE POLICY**

**May 2020**

**Policy**

To amend the policy in order to align it with the organizational structure of the Municipality and expand the concept of official traveler. To make provision for the minimum kilometers eligible to claim travel costs by the interviewees on the invitation of the Municipality and to subject certain travel claims to the AA tariff rates.

To provide for alignment of phrases and words with the current organizational structure as well as adequate numbering of all sections of the policy for standardization.

## CHAPTER 1

### 1.1. Definitions

In the context of this policy, the following words shall have the meanings assigned to them hereunder, namely:

- 1.1.1. **Official:** *the staff member of the Greater Sekhukhune District Municipality (GSDM). [(Subsection 1.1.1. is hereby substituted by subsection 1.1.1(a). and read as follows; Official: the staff member of Sekhukhune District Municipality (SDM)].*
- 1.1.2. **Special daily allowance:** allowance granted to compensate for incidental expenses where actual expenditure is claimed.
- 1.1.3. **Incidental expenditure:** expenditure in respect of tips for table and room service, reading material, private telephone calls and non-alcoholic beverages payable in circumstances where actual expenses are not claimed.
- 1.1.4. **Fixed daily subsistence allowance:** Daily subsistence allowances payable in circumstances where actual expenses are not claimed.
- 1.1.5. **Official traveler:** any officer employed by the GSDM, council member, and any consultant, facilitator, interviewee who travels on the invitation of the Municipality.*[(subsection 1.1.5. is hereby substituted by subsection 1.1.5.(a). and it reads as follows; Official traveler: any officer employed by the SDM, Council member, any consultant, facilitator, interviewee, who travel on the invitation of the Municipality, including their baby sitters)].*
- 1.1.6. **Accommodation expenditure:** expenditure in respect of lodging, meals (including non-alcoholic beverages), dry cleaning and laundering.
- 1.1.7. **Valuable:** Any asset or personal property of the official.
- 1.1.8. **Domestic air travel:** traveling by airplane within the borders of the Republic of South Africa (RSA).
- 1.1.9. **International travel:** Traveling outside the borders of RSA.

member) or a delegated official must approve the trip before reservations are finalized and travel documents are issued.

2.1.1.3.A manager must ensure that funds to undertake such a trip are available before he/she could authorize expenditure on the trip.

2.1.1.4. An official must forward the signed, approved and authorized form to Finance Section. Travel arrangements shall be concluded after the above steps have been followed.

## 2.1.2. International travel

2.1.2.1. An official traveling abroad must get prior approval from the Executive Mayor of the **Greater Sekhukhune District Municipality** in a form of memorandum detailing estimated expenditure as well as the availability of funds to be utilized in this regard. Furthermore, expenditure authorization must be obtained from the relevant manager.*[(Subsection 2.1.2.1. is hereby substituted by subsection 2.1.2.1.(a). and is read as follows; An official travelling abroad must get prior approval from the Executive Mayor of Sekhukhune District Municipality in a form of memorandum detailing estimated expenditure as well as the availability of funds to be utilized in this regard. Furthermore, expenditure authorization must be obtained from the relevant manager)].*

2.1.2.2. The Manager: Corporate Service must verify details of the Executive Mayor's visit. An official or secretary must complete the approval of official travel, travel plan and accommodation form.*[(Subsection 2.1.2.2. is hereby substituted by subsection 2.1.2.2.(a). and is read as follows; The Director: Corporate Services must verify details of the Executive Mayor's visit. An official or secretary must complete the approval of official travel, travel plan and accommodation form)].*

2.1.2.3.A manager of particular component (Municipal Manager and Executive Mayor in the case of manager and council member) or a delegated official must approve the trip before reservations are finalized and travel documents are issued.

2.1.2.4.A manager must ensure that funds to undertake such a trip are available before he/she could authorize expenditure on the trip. An official must forward the signed, approved and authorized form to Finance Section.

2.1.2.5.Travel arrangements shall be concluded after the above steps have

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***[Agent will be for official's private account and cannot be claimed back from SDM unless approved by CFO/MM].***

2.3.3. Officials are not allowed to make internet or any other bookings. A Contracted Travel Agent will handle all bookings, (including internet bookings) and such booking shall be made on the agency's discretion unless approved by the CFO/MM.

2.3.4. Car hires must also be made through a Contracted Travel Agent.

The following vehicle classes must be used:

Executive Mayor, the Speaker and the Municipal Manager,	Group B vehicle or higher group if approved by the MM
Other officials	Group A vehicle where the distance to be traveled does not exceed 100km. Group B vehicle, 1600cc engine with air conditioner if a distance to be traveled exceed 100km. or higher group if approved by the MM

2.3.5. Where a group is transported, costs for individual's car rentals or a bus or a minibus rental must be compared and the most economical means or arrangement must be made.

2.3.6. Where an extension for the use of a hired vehicle is required, approved revised documents must be submitted and confirmed with the Contracted Travel Agent.

2.3.7. A contracted Travel Agent must issue voucher for the extension.

2.3.8. Should a vehicle be kept longer than the official reservation, a complaint of theft/missing vehicle may be lodged by a car hire company and an official will be held responsible for any fruitless expenditure arising from the use of the vehicle without proper authorization.

2.3.9. Any official driving a hired vehicle on official duties must be in possession of a valid driver's license.

2.3.10. When a hired vehicle is to be driven by more than one driver, names of all drivers must be stated on the application form so that the reservation for vehicle hiring is made accordingly.

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- 2.3.18. Reservation for accommodation and or conference facilities, seminars and bosberade must be made through a Contracted Travel Agent. Provisions of the procurement policy should be observed at all times when these reservations are made.
- 2.3.19 Accounting officer must ensure that overnight accommodation is limited to instances where the distance travelled by road by the employee exceeds 500 kilometers to and from the destination (return journey) with the exception where the meeting is more than one night.
- 2.3.19 Employee who select to use her own accommodation must be compensated R700 per night and the kilometers claimed must be limited to 100 return trip to the venue per day. Proof of kilometers must be attached and accommodation of address must be provided (google map).

## **2.4. Subsistence allowance**

### **2.4.1. Local trips**

- 2.4.1.1. For traveling locally, allowance tariffs as determined by the Council in accordance with paragraph 13 of the Local Government Undertaking on Conditions of Services, 1994 shall be applicable. The provision, is therefore, made for two kinds of allowances:
- 2.4.1.2. Special daily allowance to compensate for incidental expenses where actual expenses are claimed; and
- 2.4.1.3. Fixed daily subsistence allowance payable in circumstances where actual expenses are not claimed.
- 2.4.1.4. Allowances for local trips are to be calculated when an official is away from his/her municipal area for 24 hours or longer, and hourly thereafter. The calculation of the allowance will take effect from the hour the officer departs from the office or home (whichever is the latest) and end on the hour the officer arrives back at the office or home (whichever one is the earliest).
- 2.4.1.5. Tariffs indicated below for traveling allowance indicated below are in accordance with guidelines issued by the South African Receiver of Revenue (SARS) :

#### **Guidelines on tariffs:**

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estimate of expenditure should be submitted to the Finance Section five (5) working days before the trip. Petty Cash, cheque or electronic payment may be made.

*[(Subsection 2.4.1.9. is inserted hereunder and it reads as below follows;*

**2.4.1.9. A minimum of eighty (80) kilometer radius or more on a single trip from original destination to the place of interviews will be observed for travelling expenses incurred by interviewees on the invitation of the Municipality. Any claim below the minimum kilometers radius shall not be considered for reimbursement. Payments for such claims will be subject to the AA tariff rates.**

## **2.4.2. Foreign trips**

2.4.2.1. Accommodation arrangements with regard to traveling abroad must be made through the Contracted Travel Agent. The contracted Travel Agent could also do arrangements with regard to traveler's cheques and visa's.

2.4.2.2. For traveling abroad non-taxable allowance of 190 dollars per day shall be payable. Advances in respect of the allowance shall be requested five (5) working days in advance to the Finance section. Advances may not be paid seven (7) days before departure. The following must accompany an advance form:

- 2.4.2.2.1. Submission/memorandum with the Executive Mayor's approval.
- 2.4.2.2.2. Trip plan
- 2.4.2.2.3. Calculation of advance
- 2.4.2.2.4. Approved Trip Authorization form

2.4.2.3. Allowances for traveling abroad are to be calculated when an official is away from his/her municipal area for 24 hours or longer, and hourly thereafter. The calculation of the allowance will take effect from the hour the officer departs from the office or home (whichever is the latest) and end on the hour the officer arrives back at the office or home (whichever one is the earliest).

2.4.2.4. Foreign allowances are non-accountable, meaning that no receipts and invoices need to be submitted to the Finance section. Only travel and subsistence claim for accounting/audit purposes.

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for incidental expenses can be paid by the Municipality on approval by the Executive Mayor.

- 2.5.7. If an official incurs expenditure for medication, mineral water, exchange rate losses, airport tax, visa and passport photos, these expenses may be claimed by a traveler on a Traveling and Subsistence form.
- 2.5.8. When the allowance paid to an official by a donor is lower than the prescribed allowance, the Municipality may pay the difference to the official except where the Executive Mayor prescribes otherwise.
- 2.5.9. Whenever the donor request the Municipality to pay the expenses relating to a trip, where – after the Municipality is to claim the expenses from that donor, it is the responsibility of an official to:
  - 2.5.9.1. Obtain proof of the donor arrangements in writing from the donor prior to the trip.
  - 2.5.9.2. Obtain approval for the acceptance of sponsorship from the relevant manager.
  - 2.5.9.3. Obtain authorization from the Corporate Service.
  - 2.5.9.4. Submit approval and authorization documents to the Finance Section.
  - 2.5.9.5. Submit all proof of expenses (i.e. receipts, invoices and copies of tickets) to Finance section.
- 2.5.10. All claims relating to travel and subsistence should be completed immediately upon an official's return. A travel and subsistence claim form must be used for this purpose.
- 2.5.11. In circumstances where an advance is more than the claim, the difference should immediately be paid in at the cashier's office and a copy of the receipt must be attached to the claim. Should an official fail to adhere to this within seven (7) days, where advances were granted, the full amount would be recovered from an official's salary. A new advance will not be granted as long as a previous advance has not been accounted for. Please take note that in cases where an advance has not been requested the original Trip Authority Form must be attached to the claim form.

- 3.1.6.3. Failure to settle extras on departure from Hotels.
- 3.1.7. The Finance section, will indicate this in the register, and bring it to the attention of the relevant Manager.
- 3.1.8. After three (3) violations by an official, the matter will be reported to the Executive Mayor/Municipal Manager for necessary attention.
- 3.1.9. All officials are obliged to adhere to this Municipal policy. Corporate Service and Contracted Travel Agent will enforce the policy.

## CHAPTER 4

### 4.1. Insurance cover

#### 4.1.1. Domestic travel

##### 4.1.1.1. Damages, losses, and/or theft of hired vehicle

**4.1.1.1.1.** The **GSDM** will purchase individual insurance policies through the Contracted Travel Agent to cover the following:*[Subsection 4.1.1.1. is hereby substituted by subsection 4.1.1.1.(a). and is read as follows; The SDM will purchase individual insurance policies through the Contracted Travel Agent to cover the following]:*

- (a). Full damage to a vehicle, towing and assessor's charges.
- (b). In the case of the vehicle being written-off, the full replacement value of a vehicle.
- (c). When a vehicle is stolen or hijacked, the full replacement value of a vehicle.

**4.1.1.2.** An official, who takes over a hired vehicle, shall ensure that any damage or deficiency is immediately brought to the attention of a car hire company. All damages (scratches, dents, etc.), missing equipments (jerk, spare wheel, etc.) must be noted on the vehicle checklist before an official drives-off.

**4.1.1.3.** An official must check the vehicle again and findings be noted on the vehicle checklist when the vehicle is returned to the car hire company. Should a case of damage, loss, deficiency or theft occur whilst the vehicle is on a trip, the official must report the matter to the nearest police station immediately, a report must be submitted to the rental agency and on his/her, return to the Municipality must

4.2.1. The Municipality will purchase individual insurance policies with Contracted Travel Agent to cover the following:

- 4.2.1.1. Medical expenditure
- 4.2.1.2. Accidental death and permanent disability in air or on land.
- 4.2.1.3. Personal liability
- 4.2.1.4. Loss of valuables

4.2.2. An official must ensure that these insurance covers are included by a Contracted Travel Agent in the travel package.

4.2.3. An official must also request collision damage waiver and theft loss waiver insurance covers when arranging for hired vehicle with Contracted Travel Agent. The Municipality will be liable for excesses payment arising from a claim against the Municipality.

## CHAPTER 5

### 5.1. Revision of policy

5.1.1. This policy will be reviewed when deemed necessary, but at least once a year.

## CHAPTER 6

### 6.1. Transitional arrangements

6.1.1. All accommodation bookings, motor vehicle hire, domestic and international air travel, subsistence allowances, changes and cancellations of bookings as well as insurances made prior to this policy amendments are deemed to have been made in accordance of this policy. Any deviation of this policy must be approved by the Municipal Manager

## CHAPTER 7

### 7.1. Approval of policy

7.1.1. Approved by the Council on this ..28.....Day  
of.....May.....2020 .....

  
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**COUNCILLOR MM MANAMELA**  
**SPEAKER**

28.05.2020  
**DATE**